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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION**

IN RE PG&E CORPORATION  
SECURITIES LITIGATION

Case No. 5:18-cv-03509-EJD

**PG&E CORPORATION'S STATUS  
REPORT REGARDING PG&E'S CHAPTER  
11 CASES**

Hon. Edward J. Davila

PG&E Corporation, which is named in the above-captioned action (the “Action”) but no longer a proper defendant, provides this Status Report pursuant to the Court’s March 30, 2021 Notice Setting Deadline for Status Report regarding the securities claims asserted in PG&E Corporation’s and Pacific Gas and Electric Company’s (together, “PG&E” or the “Reorganized Debtors”) chapter 11 cases, titled *In re PG&E Corporation and Pacific Gas and Electric Company*, Case No. 19-30088 (N.D. Cal.) (the “Chapter 11 Cases”), pending in the United States Bankruptcy Court for the Northern District of California (the “Bankruptcy Court”). The Bankruptcy Court’s Order, dated June 20, 2020 (the “Confirmation Order”), which confirmed the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (the “Plan”), discharges the claims by Plaintiffs against PG&E set forth in this Action and permanently enjoins Plaintiffs from pursuing their prepetition claims against PG&E in this forum. Although PG&E is delivering this Status Report in response to the Court’s request, PG&E does not waive the protection of the discharge and permanent injunction provided by, and reserves all of its rights under, the Plan and Confirmation Order.

#### **1. Prepetition Claims Against PG&E Must Be Pursued In The Chapter 11 Cases.**

As this Court is aware, when PG&E filed for chapter 11 on January 29, 2019, the claims asserted in this Action against PG&E were automatically stayed pursuant to Section 362 of the Bankruptcy Code. The Effective Date of the Plan occurred on July 1, 2020, at which time the Plan was substantially consummated. Pursuant to the Plan and Confirmation Order, as noted above, Plaintiffs’ claims against PG&E in this Action are discharged, and Plaintiffs are permanently enjoined from pursuing their prepetition claims against PG&E in this forum. *See* Plan §§ 10.3, 10.6; Confirmation Order ¶¶ 7, 48(b), 49, 52(a).

In the Chapter 11 Cases, PG&E provided Bankruptcy Court-approved notice of the extended deadline to file prepetition securities claims against the Debtors to more than 300,000 current and former PG&E securities holders, who filed more than 7,000 proofs of claim against PG&E in the Chapter 11 Cases based on purported securities claims. Lead Plaintiff Public

1 Employees Retirement Association of New Mexico was among the claimants filing such proofs  
2 of claim.

3 The Plan provides for allowed securities claims by equity holders to be resolved pursuant  
4 to a formula. In confirming the Plan, the Bankruptcy Court stated that because the Plan formula  
5 merely converts an allowed securities claim by an equity holder to a specific number of shares of  
6 common stock in the Reorganized Debtors, once the claimant receives those shares, “the claim  
7 has been satisfied, end of story.” In other words, the number of shares into which the allowed  
8 claim is converted is meant to fully compensate the holder of the claim for its loss; it is not a  
9 partial payment.

## 10 **2. The Prepetition Claims Against PG&E Are Being Resolved In The Chapter 11** 11 **Cases.**

12 On January 25, 2021, the Bankruptcy Court issued an order approving procedures to  
13 allow for the efficient resolution of the outstanding and unresolved prepetition securities claims  
14 asserted against PG&E in the Chapter 11 Cases (the “Procedures Order”). The Procedures  
15 Order, among other things, authorizes PG&E to first request claimants’ trading information and  
16 thereafter to pursue resolution of the securities claims in the Chapter 11 Cases through  
17 procedures including settlement negotiations, mediation, omnibus claim objections to categories  
18 of securities claims-related proofs of claim, and/or claim objections to individual securities  
19 claims-related proofs of claim.

## 20 **3. Current Status.**

21 Pursuant to the Procedures Order, in February 2021, PG&E commenced the process of  
22 serving targeted requests for securities claimants’ trading information. Claimants must respond  
23 within forty-five (45) days of the mailing of the targeted requests. Consistent with the timetable  
24 provided to the Bankruptcy Court, once the trading information is collected and reviewed, PG&E  
25 intends to pursue resolution of the securities claims in the Chapter 11 Cases.

26 In addition, PG&E has, to date, filed omnibus objections seeking to disallow and expunge  
27 three separate categories of securities claims-related proofs of claim, including (1) claims that are  
28 duplicative or superseded by other claims filed in the Chapter 11 Cases; (2) claims where

1 claimants fully traded out of their positions prior to the first alleged corrective disclosure and,  
 2 thus, have no claim against PG&E; and (3) claims based on trades that occurred outside of the  
 3 period the Bankruptcy Court adopted in requiring the Reorganized Debtors to provide notice for  
 4 claimants to file securities claims-related proofs of claim. The hearing on these omnibus  
 5 objections is set for April 28, 2021. PG&E intends to file additional omnibus objections to be  
 6 heard at future omnibus hearings in the Bankruptcy Court on a number of grounds, as set forth in  
 7 the Procedures Order and permitted by the Bankruptcy Court.

8 Finally, as set forth in the Plan confirmed by the Bankruptcy Court, PG&E was a solvent  
 9 debtor. Accordingly, the Plan fully reinstated the un-matured notes at issue in this Action and  
 10 provides for full payment of allowed debt securities claims.

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 12 Dated: April 9, 2021

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